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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #01008-84
10 February 1984

MEMORANDUM FOR: Acting Director of Central Intelligence
THROUGH : Chairman, National Intelligence Council
FROM : 25X1
Assistant National Intelligence Officer for USSR-EE
SUBJECT : NIE 12-2-84, Political Consequences of Economic Distress
in Eastern Europe

1. The coordination meetings on NIE 12-2-84 went smoothly. All agency reps have agreed to the text, except for Army which has three footnotes. They are included in the attached text but require some elaboration:

- Para 24. Army objects to any suggestion that the Soviets might not be in complete control of events in Europe. Our view is that they set policy for the region but cannot initiate everything nor have their way all the time on every issue in each country. This paragraph was already modified to accommodate Army but, to make our point completely clear, we could make the last clause read "respond to events in individual Eastern European countries rather than drive them." We intend to propose this change at NFIB but expect that Army will maintain its footnote.
- Para 12. The Army footnote deals with an issue which is not discussed in the paragraph because it is irrelevant to the argument. Army has asked for the foot note because it feels very strongly about the issue which has been and remains controversial (namely the relationship between Party and Army in Poland).

ARMY review completed.



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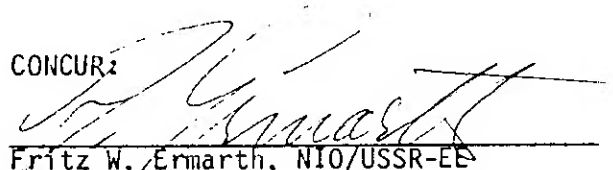
- Para 43. Army's footnote reflects an irreconcilable disagreement. We believe the footnote overlooks that Romania's resistance to Soviet pressure for Warsaw Pact integration has already shown a weakening of Soviet control on a significant issue. Although we do not anticipate similar actions by other nations on such a major issue any time soon, we believe that Hungary has already acted in ways that erode Soviet control (and, according to reporting, worry the Soviets) and that all East European states will have greater opportunities to do so if their leaders are skillful enough. These opportunities are likely to be even larger now that the Soviet Union seems to be headed for a period of turbulent leadership politics when its signals will be less clear and possibly contradictory.

2. Since the coordination meetings, we have also updated the Key Judgments and Paragraphs 2, 23, 25, 26, 27, 29, 31 and 33 to reflect the death of Andropov. Because we do not expect the shape of Soviet politics to become clear for at least the next few months, we do not think it worthwhile to hold up this NIE. As you will see, the update does reflect the uncertainty likely to be caused by a new succession.

3. Request your approval to send the NIE to NFIB principals and place it on the NFIB agenda at the 22 February meeting.

25X1

CONCUR:


Fritz W. Ermarth, NIO/USSR-EE

18 Feb 84
Date

APPROVED:

/S/ John N. McMahon

Acting Director of Central Intelligence

14 FEB 1984

Date

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